

OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION

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**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

**PREPARED DIRECT TESTIMONY
OF
MARK A. MARTIN**

**ON BEHALF OF
ATMOS ENERGY CORPORATION**

Docket No. 00-0723

March 2001

TESTIMONY OF MARK A. MARTIN

ATMOS ENERGY CORPORATION

1 **Q. Would you please state your name, responsibility, and business address?**

2 A. Mark A. Martin, Senior Analyst – Rate Administration, Atmos Energy
3 Corporation (Atmos, the Company), 381 Riverside Drive, Suite 440, Franklin,
4 Tennessee 37064.

5 **Q. Please briefly summarize your educational background and experience**
6 **within the natural gas industry.**

7 A. I have received a Bachelor of Science degree in Accounting from Eastern Illinois
8 University. I have also completed additional studies in rate processing and
9 fundamentals of regulated utilities sponsored by the University of Wisconsin-
10 Madison. My employment with the Company began in September 1995. My
11 present duties include the responsibility of preparing monthly Purchased Gas
12 Adjustment (PGA) filings by the Illinois, Kentucky, Colorado, Missouri, and
13 Georgia Commissions.

14 **Q. Have you testified before this Commission?**

15 A. Yes. I have also testified before the South Carolina and Georgia Commissions.

16 **Q. Please state the purpose of your testimony in the proceeding.**

17 A The purpose of my testimony is to present the evidence required by the
18 Commission's Citation Order dated November 8, 2000. The evidence required
19 consists of: 1) the reconciliation of revenues billed under the PGA clause with the
20 actual cost of gas obtained during the 2000 reconciliation year and 2) the
21 prudence of the gas supply purchases during the reconciliation year.

1 **Q. Please provide a general background of Atmos' Illinois operations before**
2 **presenting the required evidence.**

3 A. Atmos provides natural gas service to six operating areas in Illinois: Virden,
4 Vandalia, Harrisburg, Metropolis, Salem, and St. Elmo. The gas supply for these
5 service areas is received through separate interstate pipelines: Panhandle Eastern
6 Pipe Line Company, Natural Gas Pipeline Company of America, Texas Eastern
7 Transmission Corporation, Trunkline Gas Company, and Mississippi River
8 Transmission Corporation. There are six PGA reconciliations.

9 **Q. What evidence are you presenting to show the reconciliation of revenues**
10 **under the PGA clause with the actual cost of gas supplies obtained during the**
11 **2000 reconciliation year?**

12 A. Page 1 of each of the Exhibits reflects the minimum filing requirements set forth
13 in the Citation Order. Pages 2 and 3 each of the Exhibits consists of three
14 sections: Gas costs recoverable through the PGA clause, titled "Gas Cost
15 Recoverable through Gas Charge"; revenues billed under the PGA clause, titled
16 "Gas Cost Recovered", and the net reconciliation balance. The "Gas Cost
17 Recoverable through Gas Charge" consists of all invoiced gas cost (commodity
18 cost and, where applicable, contract demand cost, storage demand cost, and
19 transportation charges on spot market gas), plus the commodity cost of gas
20 withdrawn from storage at the applicable, First-in, First-out (FIFO) inventory rate,
21 plus the interest of any unamortized balance of Factor A on Schedule II in the
22 Company's monthly PGA filings, less the commodity cost of gas injected into

1 storage at the applicable (FIFO) inventory rate, less the cost of gas used by the
2 Company at the system average cost of gas during the month of usage.

3 Exhibit I reflects the totals of all the Illinois service areas, with total
4 recoverable gas costs of \$14,265,834.26 and total gas cost recoveries of
5 (\$13,127,651.53), leaving a net amount due the Company of \$1,138,182.73.

6 Exhibit II reflects the amounts of the Vandalia service area with total
7 recoverable gas cost of \$2,607,677.76 and total gas cost recoveries of
8 (\$2,189,759.90), leaving a net amount due the Company of \$417,917.86.

9 Exhibit III reflects the amounts of the Harrisburg service area, with total
10 recoverable gas cost of \$4,330,949.60 and total gas cost recoveries of
11 (\$4,658,273.13), leaving a net amount due the Customers of (\$327,323.53).

12 Exhibit IV reflects the amounts of the Metropolis service area, with total
13 recoverable gas cost of \$2,609,314.38 and total gas cost recoveries of
14 (\$2,108,207.51), leaving a net amount due the Company of \$501,106.87.

15 Exhibit V reflects the amounts of the Virden service area, with total
16 recoverable cost of \$2,186,831.46 and total gas cost recoveries of
17 (\$1,796,981.83), leaving a net amount due the Company of \$389,849.63.

18 Exhibit VI reflects the amounts of the St. Elmo service area, with total
19 recoverable gas cost of \$1,649,183.20 and total gas cost recoveries of
20 (\$1,613,155.28), leaving an amount due the Company of \$36,027.92.

1 Exhibit VII reflects the amounts of the Salem service area, with total
2 recoverable gas cost of \$881,877.86 and total gas cost recoveries of
3 (\$761,273.88), leaving a net amount due the Company of \$120,603.98.

4 **Q. Is Atmos requesting any Factor O adjustments?**

5 A. Yes. The Company requests to refund a total of (\$622.62). This total is the
6 summation of the following: Vandalia of (\$657.07), Harrisburg of \$20.91,
7 Metropolis of \$14.63, Virden of \$0, St. Elmo of (\$1.10), and Salem of \$0.

8 **Q. Please explain the method utilized to purchase gas for Atmos' Illinois service**
9 **areas.**

10 A. The Company has contracts with five interstate pipelines. Those interstate
11 pipelines and the Atmos' operating areas served are: Panhandle Eastern Pipeline
12 Company (Panhandle) serving Virden; Natural Gas Pipeline Company of America
13 (Natural) serving Vandalia, Salem and St. Elmo; Texas Eastern Transmission
14 Corporation (Texas Eastern) serving Harrisburg; Trunkline Gas Company
15 (Trunkline) serving Metropolis, Salem and Virden; and Mississippi River
16 Transmission Corporation (MRT) serving Salem. All of the contracts are
17 transportation and/or storage contracts, and Atmos is responsible for the
18 acquisition of the gas supply from whatever source it chooses. The Company
19 moves gas through Natural and MRT under a demand/commodity transportation
20 rate schedule, with a one-part transportation rate for "swing" volumes. The gas
21 moved through Trunkline and Panhandle is under a one-part transportation rate
22 schedule. The gas moved through Texas Eastern in under a demand/commodity

1 transportation rate. All of the service areas have purchased storage services. The
2 acquisition of the actual gas varies by service area. The gas for the service areas
3 was provided by a five-month winter contract with suppliers, and purchased from
4 the spot market during the summer months except for with MRT in which we
5 have a twelve-month agreement. All of the contracts are based on market
6 sensitive industry indexes. These contracts to purchase gas, including month-to-
7 month spot market purchases, are determined by using a competitive bidding
8 process. The Company also has an agency agreement with PG&E Energy
9 Trading-Gas Corporation to manage our capacity on NGPL.

10 **Q. How does the bidding process work?**

11 A. The Company solicits bids from producers and brokers. The request for bids
12 contain information such as quantity of gas, the serving pipeline, and length of
13 contract. After bids are received, the Company evaluates those bids by taking
14 into consideration the producer/broker's reputation, reliability of supply, and
15 price. The Company must have assurance of the bidder's reputation and
16 reliability of supply before awarding a contract. If several bidders meet this
17 criteria, the bidder with the lowest price is chosen.

18 **Q. Is it your opinion that the Company is engaging in prudent gas purchasing**
19 **decisions?**

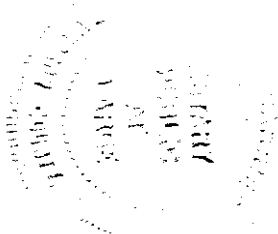
20 A. Yes.

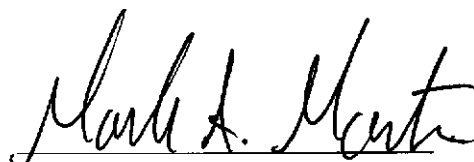
21 **Q. Does this conclude your testimony at this time?**

22 A. Yes.

STATE OF TENNESSEE)
)
COUNTY OF WILLIAMSON) ss.

Mark A. Martin, being first duly sworn, deposes and says that he is Mark A. Martin referred to in the document entitled "Prepared Direct Testimony of Mark A. Martin" in Docket No. 00-0273 before the Illinois Commerce Commission, and that the statements therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.




Mark A. Martin

Sworn to and subscribed
before me this 28
day of February, 2001.


Notary Public

My appointment expires
July 26, 2003

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	\$64,388.29
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$1,144,480.34
3. Factor O Collected/(Refunded) During 2000	(\$5,924.00)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	\$1,202,944.63
5. 2000 Recoverable Costs	\$13,074,812.75
6. 2000 PGA Revenues	(\$13,127,651.53)
7. 2000 Refunds or Surcharges	(\$24,497.99)
8. Other Adjustments	\$0.00
9. Interest	\$12,574.87
10. 2000 Under/(Over)-Recovery	(\$64,761.90)
11. Under/(Over)-Recovery Balance at December 31, 2000	\$1,138,182.73
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$589,562.77)
13. Unamortized Balance at December 31, 2000	\$549,242.58
14. Requested Factor O	(\$622.62)

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$1,262,547.03	\$1,053,544.99	\$889,879.97	\$597,226.07	\$406,429.99	\$787,178.72	\$4,996,806.77	2
3	Add: Storage Withdrawals	\$323,743.10	\$193,696.83	\$96,319.75	\$112,892.78	\$34,817.43	\$7,672.90	\$769,142.79	3
4	Interest	\$1,924.34	\$149.00	(\$1,192.51)	(\$1,162.05)	(\$1,104.80)	(\$6.27)	(\$1,392.29)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$9,190.89)	(\$65,648.18)	(\$101,536.04)	(\$19,590.72)	(\$56,544.71)	(\$333,402.20)	(\$585,912.74)	6
7	Company Use	(\$8,554.34)	(\$11,342.26)	(\$5,234.73)	(\$3,138.98)	(\$661.35)	(\$886.04)	(\$29,817.70)	7
8	Total Recoverable Gas Cost	<u>\$1,570,469.24</u>	<u>\$1,170,400.38</u>	<u>\$878,236.44</u>	<u>\$686,227.10</u>	<u>\$382,936.56</u>	<u>\$460,557.11</u>	<u>\$5,148,826.83</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$1,820,467.37</u>	<u>\$1,919,820.31</u>	<u>\$1,331,947.87</u>	<u>\$693,126.25</u>	<u>\$457,034.28</u>	<u>\$271,890.22</u>	<u>\$6,494,286.30</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>(\$249,998.13)</u>	<u>(\$749,419.93)</u>	<u>(\$453,711.43)</u>	<u>(\$6,899.15)</u>	<u>(\$74,097.72)</u>	<u>\$188,666.89</u>	<u>(\$1,345,459.47)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

ILLINOIS

Line	Description	Subtotal	July	August	September	October	November	December	Total	Line
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$4,996,806.77	\$744,079.41	\$677,470.87	\$857,876.48	\$1,580,254.67	\$1,580,125.84	\$3,495,540.57	\$13,932,154.61	2
3	Add: Storage Withdrawals	\$769,142.79	\$291.41	\$787.31	\$4,573.48	\$1,748.14	\$212,785.65	\$606,705.79	\$1,596,034.57	3
4	Interest	(\$1,392.29)	\$440.52	\$1,160.03	\$1,612.56	\$2,683.42	\$5,338.09	\$2,732.54	\$12,574.87	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$585,912.74)	(\$292,792.76)	(\$279,549.69)	(\$329,892.65)	(\$702,817.92)	(\$66,311.78)	(\$133,161.15)	(\$2,390,438.69)	6
7	Company Use	(\$29,817.70)	(\$684.51)	(\$777.01)	(\$1,224.77)	(\$2,716.12)	(\$8,566.06)	(\$19,151.57)	(\$62,937.74)	7
8	Total Recoverable Gas Cost	<u>\$5,148,826.83</u>	<u>\$451,334.07</u>	<u>\$399,091.51</u>	<u>\$532,945.10</u>	<u>\$879,152.19</u>	<u>\$1,723,371.74</u>	<u>\$3,952,666.18</u>	<u>\$13,087,387.62</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$6,494,286.30</u>	<u>\$277,503.75</u>	<u>\$240,632.48</u>	<u>\$328,060.21</u>	<u>\$585,209.42</u>	<u>\$1,026,539.19</u>	<u>\$2,738,621.50</u>	<u>\$11,690,852.85</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$838,154.20)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,274,952.88</u>	12
13	Under/(Over) Recovery	<u>(\$1,345,459.47)</u>	<u>\$173,830.32</u>	<u>\$158,459.03</u>	<u>\$204,884.89</u>	<u>\$293,942.77</u>	<u>\$696,832.55</u>	<u>\$1,214,044.68</u>	<u>(\$40,263.91)</u>	13
			\$450,893.55							

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
VANDALIA, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	\$33,659.59
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$39,309.52
3. Factor O Collected/(Refunded) During 2000	(\$5,512.10)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	\$67,457.01
5. 2000 Recoverable Costs	\$2,542,350.31
6. 2000 PGA Revenues	(\$2,189,759.90)
7. 2000 Refunds or Surcharges	\$0.00
8. Other Adjustments	\$0.00
9. Interest	(\$2,129.56)
10. 2000 Under/(Over)-Recovery	\$350,460.85
11. Under/(Over)-Recovery Balance at December 31, 2000	\$417,917.86
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$114,718.51)
13. Unamortized Balance at December 31, 2000	\$303,856.42
14. Requested Factor O	(\$657.07)

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

VANDALIA, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$252,875.77	\$191,016.70	\$144,209.62	\$135,572.76	\$91,103.14	\$108,368.07	\$923,146.06	2
3	Add: Storage Withdrawals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	3
4	Interest	(\$107.06)	(\$573.02)	(\$1,387.29)	(\$1,081.08)	(\$924.47)	(\$158.81)	(\$4,231.73)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	\$0.00	\$0.00	\$0.00	(\$8,169.86)	(\$18,890.10)	(\$26,304.79)	(\$53,364.75)	6
7	Company Use	(\$1,329.20)	(\$1,187.89)	(\$676.27)	(\$448.23)	(\$79.94)	(\$40.11)	(\$3,761.64)	7
8	Total Recoverable Gas Cost	<u>\$251,439.51</u>	<u>\$189,255.79</u>	<u>\$142,146.06</u>	<u>\$125,873.59</u>	<u>\$71,208.63</u>	<u>\$81,864.36</u>	<u>\$861,787.94</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$326,725.81</u>	<u>\$330,719.51</u>	<u>\$357,762.53</u>	<u>(\$17,006.68)</u>	<u>\$83,280.42</u>	<u>\$54,877.10</u>	<u>\$1,136,358.69</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>(\$75,286.30)</u>	<u>(\$141,463.72)</u>	<u>(\$215,616.47)</u>	<u>\$142,880.27</u>	<u>(\$12,071.79)</u>	<u>\$26,987.26</u>	<u>(\$274,570.75)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

VANDALIA, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>Subtotal</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$923,146.06	\$107,445.30	\$95,468.38	\$122,952.77	\$199,594.48	\$308,834.44	\$908,301.59	\$2,665,743.02	2
3	Add: Storage Withdrawals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,090.76	\$28,728.62	\$65,819.38	3
4	Interest	(\$4,231.73)	(\$191.48)	\$0.00	\$15.39	\$177.16	\$589.38	\$1,511.72	(\$2,129.56)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$53,364.75)	(\$28,316.04)	(\$24,495.44)	(\$26,387.19)	(\$32,112.35)	(\$12,909.02)	(\$2,233.19)	(\$179,817.98)	6
7	Company Use	(\$3,761.64)	(\$102.59)	(\$117.52)	(\$86.74)	(\$392.46)	(\$1,469.47)	(\$3,463.69)	(\$9,394.11)	7
8	Total Recoverable Gas Cost	<u>\$861,787.94</u>	<u>\$78,835.19</u>	<u>\$70,855.42</u>	<u>\$96,494.23</u>	<u>\$167,266.83</u>	<u>\$332,136.09</u>	<u>\$932,845.05</u>	<u>\$2,540,220.75</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$1,136,358.69</u>	<u>\$49,147.36</u>	<u>\$44,195.46</u>	<u>\$58,163.23</u>	<u>\$90,030.18</u>	<u>\$164,888.07</u>	<u>\$371,031.25</u>	<u>\$1,913,814.24</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,564.67)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$388,510.33</u>	12
13	Under/(Over) Recovery	<u>(\$274,570.75)</u>	<u>\$29,687.83</u>	<u>\$26,659.96</u>	<u>\$38,331.00</u>	<u>\$77,236.65</u>	<u>\$167,248.02</u>	<u>\$561,813.80</u>	<u>\$350,460.85</u>	13

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
HARRISBURG, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	\$35,238.26
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$719,732.09
3. Factor O Collected/(Refunded) During 2000	\$16,924.47
4. Balance to be Collected/(Refunded) During 2000 from prior periods	\$771,894.82
5. 2000 Recoverable Costs	\$3,548,153.97
6. 2000 PGA Revenues	(\$4,658,273.13)
7. 2000 Refunds or Surcharges	\$0.00
8. Other Adjustments	\$0.00
9. Interest	\$10,900.81
10. 2000 Under/(Over)-Recovery	(\$1,099,218.35)
11. Under/(Over)-Recovery Balance at December 31, 2000	(\$327,323.53)
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$72,162.46)
13. Unamortized Balance at December 31, 2000	(\$399,506.90)
14. Requested Factor O	\$20.91

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

HARRISBURG, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$225,881.07	\$252,358.38	\$239,679.91	\$72,328.46	\$83,448.81	\$453,463.28	\$1,327,159.91	2
3	Add: Storage Withdrawals	\$282,733.85	\$166,158.11	\$79,998.81	\$100,128.22	\$34,031.95	\$245.02	\$663,295.96	3
4	Interest	\$1,814.17	\$1,394.59	\$942.55	\$587.46	\$549.64	\$790.28	\$6,078.69	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$6,099.75)	(\$42,810.78)	(\$41,333.01)	\$0.00	\$0.00	(\$289,699.09)	(\$379,942.63)	6
7	Company Use	<u>(\$3,305.21)</u>	<u>(\$4,345.48)</u>	<u>(\$1,729.57)</u>	<u>(\$1,114.09)</u>	<u>(\$303.10)</u>	<u>(\$313.48)</u>	<u>(\$11,110.93)</u>	7
8	Total Recoverable Gas Cost	<u>\$501,024.13</u>	<u>\$372,754.82</u>	<u>\$277,558.69</u>	<u>\$171,930.05</u>	<u>\$117,727.30</u>	<u>\$164,486.01</u>	<u>\$1,605,481.00</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$601,701.16</u>	<u>\$650,993.00</u>	<u>\$381,990.96</u>	<u>\$274,116.69</u>	<u>\$142,343.29</u>	<u>\$87,326.39</u>	<u>\$2,138,471.49</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>(\$100,677.03)</u>	<u>(\$278,238.18)</u>	<u>(\$104,432.27)</u>	<u>(\$102,186.64)</u>	<u>(\$24,615.99)</u>	<u>\$77,159.62</u>	<u>(\$532,990.49)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

HARRISBURG, ILLINOIS

Line	Description	Subtotal	July	August	September	October	November	December	Total	Line
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$1,327,159.91	\$419,382.26	\$377,798.06	\$424,293.12	\$799,056.06	\$323,140.10	\$334,345.07	\$4,005,174.58	2
3	Add: Storage Withdrawals	\$663,295.96	\$0.00	\$115.45	\$2,253.67	\$0.00	\$139,769.07	\$453,846.24	\$1,259,280.39	3
4	Interest	\$6,078.69	\$1,070.15	\$1,141.67	\$1,234.41	\$1,481.74	\$1,881.75	(\$1,987.60)	\$10,900.81	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$379,942.63)	(\$230,729.29)	(\$238,683.46)	(\$276,529.19)	(\$546,754.17)	(\$22,642.71)	\$0.00	(\$1,695,281.45)	6
7	Company Use	(\$11,110.93)	(\$332.66)	(\$172.87)	(\$539.14)	(\$927.58)	(\$3,148.86)	(\$4,787.51)	(\$21,019.55)	7
8	Total Recoverable Gas Cost	<u>\$1,605,481.00</u>	<u>\$189,390.46</u>	<u>\$140,198.85</u>	<u>\$150,712.87</u>	<u>\$252,856.05</u>	<u>\$438,999.35</u>	<u>\$781,416.20</u>	<u>\$3,559,054.78</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$2,138,471.49</u>	<u>\$92,995.93</u>	<u>\$85,601.81</u>	<u>\$106,158.57</u>	<u>\$198,219.84</u>	<u>\$374,195.99</u>	<u>\$1,066,513.82</u>	<u>\$4,062,157.45</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$270,517.74)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$866,633.42</u>	12
13	Under/(Over) Recovery	<u>(\$532,990.49)</u>	<u>\$96,394.53</u>	<u>\$54,597.04</u>	<u>\$44,554.30</u>	<u>\$54,636.21</u>	<u>\$64,803.36</u>	<u>(\$285,097.62)</u>	<u>(\$1,099,218.35)</u>	13

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
METROPOLIS, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	\$144,755.74
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$254,940.36
3. Factor O Collected/(Refunded) During 2000	(\$6,547.43)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	\$393,148.67
5. 2000 Recoverable Costs	\$2,211,771.31
6. 2000 PGA Revenues	(\$2,108,207.51)
7. 2000 Refunds or Surcharges	(\$7,107.21)
8. Other Adjustments	\$0.00
9. Interest	\$11,501.61
10. 2000 Under/(Over)-Recovery	\$107,958.20
11. Under/(Over)-Recovery Balance at December 31, 2000	\$501,106.87
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$213,091.50)
13. Unamortized Balance at December 31, 2000	\$288,000.74
14. Requested Factor O	\$14.63

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

METROPOLIS, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$296,766.46	\$236,546.48	\$192,499.46	\$129,050.60	\$72,141.11	\$71,817.41	\$998,821.52	2
3	Add: Storage Withdrawals	\$4,182.73	\$0.00	\$0.00	\$0.00	\$0.00	\$5,469.77	\$9,652.50	3
4	Interest	\$903.04	\$608.50	\$653.28	\$822.29	\$804.35	\$911.10	\$4,702.56	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	\$0.00	(\$10,137.58)	(\$46,019.04)	\$0.00	(\$25,165.14)	\$0.00	(\$81,321.76)	6
7	Company Use	<u>(\$1,306.39)</u>	<u>(\$2,681.89)</u>	<u>(\$1,252.34)</u>	<u>(\$711.43)</u>	<u>(\$62.37)</u>	<u>(\$185.06)</u>	<u>(\$6,199.48)</u>	7
8	Total Recoverable Gas Cost	<u>\$300,545.84</u>	<u>\$224,335.51</u>	<u>\$145,881.36</u>	<u>\$129,161.46</u>	<u>\$47,717.95</u>	<u>\$78,013.22</u>	<u>\$925,655.34</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$293,623.35</u>	<u>\$315,587.00</u>	<u>\$188,611.78</u>	<u>\$134,357.62</u>	<u>\$79,971.69</u>	<u>\$46,293.30</u>	<u>\$1,058,444.74</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>\$6,922.49</u>	<u>(\$91,251.49)</u>	<u>(\$42,730.42)</u>	<u>(\$5,196.16)</u>	<u>(\$32,253.74)</u>	<u>\$31,719.92</u>	<u>(\$132,789.40)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

METROPOLIS, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>Subtotal</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$998,821.52	\$60,116.43	\$63,924.54	\$71,610.00	\$172,632.35	\$307,399.33	\$678,237.60	\$2,352,741.77	2
3	Add: Storage Withdrawals	\$9,652.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,650.52	\$54,303.02	3
4	Interest	\$4,702.56	\$900.50	\$993.60	\$843.65	\$1,009.13	\$1,619.33	\$1,432.84	\$11,501.61	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$81,321.76)	(\$15,784.46)	(\$1,751.93)	(\$8,979.53)	(\$54,696.71)	(\$18,929.80)	\$0.00	(\$181,464.19)	6
7	Company Use	(\$6,199.48)	(\$43.32)	(\$175.27)	(\$367.25)	(\$709.67)	(\$2,046.01)	(\$4,268.29)	(\$13,809.29)	7
8	Total Recoverable Gas Cost	<u>\$925,655.34</u>	<u>\$45,189.15</u>	<u>\$62,990.94</u>	<u>\$63,106.87</u>	<u>\$118,235.10</u>	<u>\$288,042.85</u>	<u>\$720,052.67</u>	<u>\$2,223,272.92</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	\$1,058,444.74	\$45,961.15	\$42,051.60	\$52,687.66	\$77,823.39	\$155,654.42	\$452,249.08	\$1,884,872.04	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$133,919.32)	11
12	Unbilled Gas Cost 2000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$357,254.79	12
13	Under/(Over) Recovery	<u>(\$132,789.40)</u>	<u>(\$772.00)</u>	<u>\$20,939.34</u>	<u>\$10,419.21</u>	<u>\$40,411.71</u>	<u>\$132,388.43</u>	<u>\$267,803.59</u>	<u>\$115,065.41</u>	13

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
VIRDEN, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	(\$77,502.22)
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$81,110.32
3. Factor O Collected/(Refunded) During 2000	(\$5,369.23)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	(\$1,761.13)
5. 2000 Recoverable Costs	\$2,207,576.06
6. 2000 PGA Revenues	(\$1,796,981.83)
7. 2000 Refunds or Surcharges	(\$14,205.17)
8. Other Adjustments	\$0.00
9. Interest	(\$4,778.30)
10. 2000 Under/(Over)-Recovery	\$391,610.76
11. Under/(Over)-Recovery Balance at December 31, 2000	\$389,849.63
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$134,889.36)
13. Unamortized Balance at December 31, 2000	\$254,960.26
14. Requested Factor O	\$0.01

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

VIRDEN, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$215,932.95	\$186,466.68	\$165,531.07	\$121,713.33	\$97,303.98	\$46,395.20	\$833,343.21	2
3	Add: Storage Withdrawals	\$10,696.49	\$2,660.62	\$0.00	\$8,841.40	\$616.52	\$1,451.23	\$24,266.26	3
4	Interest	(\$443.87)	(\$870.41)	(\$1,007.36)	(\$963.51)	(\$797.43)	(\$832.80)	(\$4,915.38)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$3,091.14)	(\$10,738.22)	(\$14,183.99)	(\$5,349.94)	\$0.00	\$0.00	(\$33,363.29)	6
7	Company Use	(\$268.02)	(\$224.98)	(\$142.38)	\$0.00	\$0.00	(\$167.08)	(\$802.46)	7
8	Total Recoverable Gas Cost	<u>\$222,826.41</u>	<u>\$177,293.69</u>	<u>\$150,197.34</u>	<u>\$124,241.28</u>	<u>\$97,123.07</u>	<u>\$46,846.55</u>	<u>\$818,528.34</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$295,038.00</u>	<u>\$332,566.66</u>	<u>\$199,210.95</u>	<u>\$128,393.94</u>	<u>\$60,833.16</u>	<u>\$32,998.21</u>	<u>\$1,049,040.92</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>(\$72,211.59)</u>	<u>(\$155,272.97)</u>	<u>(\$49,013.61)</u>	<u>(\$4,152.66)</u>	<u>\$36,289.91</u>	<u>\$13,848.34</u>	<u>(\$230,512.58)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

VIRDEN, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>Subtotal</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Line</u>
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$833,343.21	\$53,906.30	\$36,126.73	\$57,573.34	\$186,311.46	\$307,121.24	\$761,521.15	\$2,235,903.43	2
3	Add: Storage Withdrawals	\$24,266.26	\$0.00	\$386.35	\$1,434.85	\$0.00	\$8,728.46	\$5,735.27	\$40,551.19	3
4	Interest	(\$4,915.38)	(\$774.01)	(\$594.79)	(\$446.92)	\$0.00	\$684.34	\$1,268.46	(\$4,778.30)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$33,363.29)	(\$1,644.93)	\$0.00	\$0.00	(\$15,001.87)	\$0.00	(\$16,982.87)	(\$66,992.96)	6
7	Company Use	(\$802.46)	(\$18.59)	(\$34.03)	(\$39.31)	(\$88.98)	(\$157.87)	(\$744.36)	(\$1,885.60)	7
8	Total Recoverable Gas Cost	<u>\$818,528.34</u>	<u>\$51,468.77</u>	<u>\$35,884.26</u>	<u>\$58,521.96</u>	<u>\$171,220.61</u>	<u>\$316,376.17</u>	<u>\$750,797.65</u>	<u>\$2,202,797.76</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$1,049,040.92</u>	<u>\$29,658.67</u>	<u>\$22,718.45</u>	<u>\$34,439.00</u>	<u>\$56,545.11</u>	<u>\$123,142.78</u>	<u>\$315,905.52</u>	<u>\$1,631,450.45</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$134,754.14)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$300,285.52</u>	12
13	Under/(Over) Recovery	<u>(\$230,512.58)</u>	<u>\$21,810.10</u>	<u>\$13,165.81</u>	<u>\$24,082.96</u>	<u>\$114,675.50</u>	<u>\$193,233.39</u>	<u>\$434,892.13</u>	<u>\$405,815.93</u>	13

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
ST ELMO, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	\$26,609.24
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$23,475.76
3. Factor O Collected/(Refunded) During 2000	(\$4,123.59)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	\$45,961.41
5. 2000 Recoverable Costs	\$1,602,867.14
6. 2000 PGA Revenues	(\$1,613,155.28)
7. 2000 Refunds or Surcharges	\$0.00
8. Other Adjustments	\$0.00
9. Interest	\$354.65
10. 2000 Under/(Over)-Recovery	(\$9,933.49)
11. Under/(Over)-Recovery Balance at December 31, 2000	\$36,027.92
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$36,029.02)
13. Unamortized Balance at December 31, 2000	\$0.00
14. Requested Factor O	(\$1.10)

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

ST. ELMO, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$174,458.20	\$124,780.50	\$89,811.60	\$89,211.65	\$42,549.70	\$63,374.47	\$584,186.12	2
3	Add: Storage Withdrawals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	3
4	Interest	\$122.97	(\$71.29)	\$0.00	\$17.15	(\$35.48)	(\$70.44)	(\$37.09)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	\$0.00	\$0.00	\$0.00	(\$4,326.08)	(\$9,451.64)	(\$13,168.10)	(\$26,945.82)	6
7	Company Use	<u>(\$1,075.55)</u>	<u>(\$2,043.56)</u>	<u>(\$709.14)</u>	<u>(\$466.92)</u>	<u>(\$104.02)</u>	<u>(\$68.67)</u>	<u>(\$4,467.86)</u>	7
8	Total Recoverable Gas Cost	<u>\$173,505.62</u>	<u>\$122,665.65</u>	<u>\$89,102.46</u>	<u>\$84,435.80</u>	<u>\$32,958.56</u>	<u>\$50,067.26</u>	<u>\$552,735.35</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$168,730.97</u>	<u>\$182,797.14</u>	<u>\$108,103.92</u>	<u>\$89,278.92</u>	<u>\$44,578.38</u>	<u>\$32,018.72</u>	<u>\$625,508.05</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>\$4,774.65</u>	<u>(\$60,131.49)</u>	<u>(\$19,001.46)</u>	<u>(\$4,843.12)</u>	<u>(\$11,619.82)</u>	<u>\$18,048.54</u>	<u>(\$72,772.70)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

ST. ELMO, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>Subtotal</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Line</u>
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$584,186.12	\$62,004.82	\$58,496.33	\$118,446.48	\$129,858.65	\$216,696.87	\$493,527.58	\$1,663,216.85	2
3	Add: Storage Withdrawals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,065.06	\$27,180.03	\$40,245.09	3
4	Interest	(\$37.09)	(\$28.91)	\$0.00	\$151.94	\$15.39	\$253.32	\$0.00	\$354.65	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$26,945.82)	(\$13,464.79)	(\$11,776.52)	(\$13,371.06)	(\$16,554.29)	(\$6,784.28)	(\$1,412.95)	(\$90,309.71)	6
7	Company Use	(\$4,467.86)	(\$136.81)	(\$159.59)	(\$119.94)	(\$409.57)	(\$1,321.54)	(\$3,669.78)	(\$10,285.09)	7
8	Total Recoverable Gas Cost	<u>\$552,735.35</u>	<u>\$48,374.31</u>	<u>\$46,560.22</u>	<u>\$105,107.42</u>	<u>\$112,910.18</u>	<u>\$221,909.43</u>	<u>\$515,624.88</u>	<u>\$1,603,221.79</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$625,508.05</u>	<u>\$45,919.19</u>	<u>\$34,810.41</u>	<u>\$64,945.48</u>	<u>\$136,533.85</u>	<u>\$167,025.29</u>	<u>\$388,440.99</u>	<u>\$1,463,183.26</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$44,447.72)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$194,419.74</u>	12
13	Under/(Over) Recovery	<u>(\$72,772.70)</u>	<u>\$2,455.12</u>	<u>\$11,749.81</u>	<u>\$40,161.94</u>	<u>(\$23,623.67)</u>	<u>\$54,884.14</u>	<u>\$127,183.89</u>	<u>(\$9,933.49)</u>	13

UNITED CITIES GAS COMPANY
ANNUAL RECONCILIATION
SALEM, ILLINOIS
December 2000

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 1999 Reconciliation	(\$98,372.32)
2. Factor A Adjustments Amortized to Schedule I at 12/31/99 per 1999 Reconciliation	\$25,912.29
3. Factor O Collected/(Refunded) During 2000	(\$1,296.12)
4. Balance to be Collected/(Refunded) During 2000 from prior periods	(\$73,756.15)
5. 2000 Recoverable Costs	\$962,093.96
6. 2000 PGA Revenues	(\$761,273.88)
7. 2000 Refunds or Surcharges	(\$3,185.61)
8. Other Adjustments	\$0.00
9. Interest	(\$3,274.34)
10. 2000 Under/(Over)-Recovery	\$194,360.13
11. Under/(Over)-Recovery Balance at December 31, 2000	\$120,603.98
12. Factor A Adjustments Amortized to Schedule I at December 31, 2000	(\$18,671.92)
13. Unamortized Balance at December 31, 2000	\$101,932.06
14. Requested Factor O	\$0.00

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

SALEM, ILLINOIS

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Subtotal</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$96,632.58	\$62,376.25	\$58,148.31	\$49,349.27	\$19,883.25	\$43,760.29	\$330,149.95	2
3	Add: Storage Withdrawals	\$26,130.03	\$24,878.10	\$16,320.94	\$3,923.16	\$168.96	\$506.88	\$71,928.07	3
4	Interest	(\$364.91)	(\$339.37)	(\$393.69)	(\$544.36)	(\$701.41)	(\$645.60)	(\$2,989.34)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	\$0.00	(\$1,961.60)	\$0.00	(\$1,744.84)	(\$3,037.83)	(\$4,230.22)	(\$10,974.49)	6
7	Company Use	(\$1,269.97)	(\$858.46)	(\$725.03)	(\$398.31)	(\$111.92)	(\$111.64)	(\$3,475.33)	7
8	Total Recoverable Gas Cost	<u>\$121,127.73</u>	<u>\$84,094.92</u>	<u>\$73,350.53</u>	<u>\$50,584.92</u>	<u>\$16,201.05</u>	<u>\$39,279.71</u>	<u>\$384,638.86</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$134,648.08</u>	<u>\$107,157.00</u>	<u>\$96,267.73</u>	<u>\$83,985.76</u>	<u>\$46,027.34</u>	<u>\$18,376.50</u>	<u>\$486,462.41</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	12
13	Under/(Over) Recovery	<u>(\$13,520.35)</u>	<u>(\$23,062.08)</u>	<u>(\$22,917.20)</u>	<u>(\$33,400.84)</u>	<u>(\$29,826.29)</u>	<u>\$20,903.21</u>	<u>(\$101,823.55)</u>	13

UNITED CITIES GAS COMPANY

2000 ANNUAL RECONCILIATION

SALEM, ILLINOIS

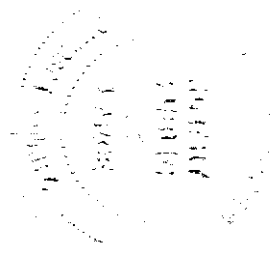
<u>Line</u>	<u>Description</u>	<u>Subtotal</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>	<u>Line</u>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$330,149.95	\$41,224.30	\$45,656.83	\$63,000.77	\$92,801.67	\$116,933.86	\$319,607.58	\$1,009,374.96	2
3	Add: Storage Withdrawals	\$71,928.07	\$291.41	\$285.51	\$884.96	\$1,748.14	\$14,132.30	\$46,565.11	\$135,835.50	3
4	Interest	(\$2,989.34)	(\$535.73)	(\$380.45)	(\$185.91)	\$0.00	\$309.97	\$507.12	(\$3,274.34)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$10,974.49)	(\$2,853.25)	(\$2,842.34)	(\$4,625.68)	(\$37,698.53)	(\$5,045.97)	(\$112,532.14)	(\$176,572.40)	6
7	Company Use	(\$3,475.33)	(\$50.54)	(\$117.73)	(\$72.39)	(\$187.86)	(\$422.31)	(\$2,217.94)	(\$6,544.10)	7
8	Total Recoverable Gas Cost	<u>\$384,638.86</u>	<u>\$38,076.19</u>	<u>\$42,601.82</u>	<u>\$59,001.75</u>	<u>\$56,663.42</u>	<u>\$125,907.85</u>	<u>\$251,929.73</u>	<u>\$958,819.62</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$486,462.41</u>	<u>\$13,821.45</u>	<u>\$11,254.75</u>	<u>\$11,666.27</u>	<u>\$26,057.05</u>	<u>\$41,632.64</u>	<u>\$144,480.84</u>	<u>\$735,375.41</u>	10
11	Unbilled Gas Cost 1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,950.61)	11
12	Unbilled Gas Cost 2000	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$167,849.08</u>	12
13	Under/(Over) Recovery	<u>(\$101,823.55)</u>	<u>\$24,254.74</u>	<u>\$31,347.07</u>	<u>\$47,335.48</u>	<u>\$30,606.37</u>	<u>\$84,275.21</u>	<u>\$107,448.89</u>	<u>\$197,545.74</u>	13

STATE OF TENNESSEE

WILLIAMSON COUNTY

AFFIDAVIT

Mark G. Thessin, being first duly sworn deposes and says that he is Vice President of Rates and Regulatory Affairs – United Cities Gas Company, a Division of Atmos Energy Corporation, and further, that he is an Officer of Atmos Energy Corporation; that he is authorized to execute this affidavit on behalf of Atmos Energy Corporation; that he has read the enclosed 2000 Annual Reconciliation and knows the contents thereof to be true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.



Mark G. Thessin
Mark G. Thessin

Subscribed and sworn to before me,
a Notary Public, this 28th day
of February, 2001.

Luis Carter
Notary Public

My Commission Expires:

July 24, 2003



WORK & GREER, PC

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS
206 CAPITOL BOULEVARD, NASHVILLE, TENNESSEE 37219-1801
(615) 259-7600 • FAX (615) 259-7603 • WWW.WORKGREER.COM

INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS

United Cities Gas Company
(A division of Atmos Energy)
Franklin, Tennessee

We have audited the accompanying 2000 Annual Reconciliation - Illinois Division (Exhibit I, page 2 of 3 and page 3 of 3) of United Cities Gas Company for the twelve months ended December 31, 2000. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 2000 Annual Reconciliation - Illinois Division (Exhibit I, page 2 of 3 and page 3 of 3) for the twelve months ended December 31, 2000 are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2000 Annual Reconciliation - Illinois Division (Exhibit I, page 2 of 3 and page 3 of 3) referred to above present fairly, in all material respects, the information set forth therein of United Cities Gas Company for the twelve months ended December 31, 2000 in conformity with generally accepted accounting principles.

Work & Greer, P.C.

Nashville, Tennessee
February 26, 2001

AFFILIATIONS

American Institute of Certified Public Accountants • Tennessee Society of Certified Public Accountants
AICPA Private Companies Practice Section • CPAmerica • Horwath International